



# **Ernest N. Morial New Orleans Exhibition Hall Authority (NOEHA) Special Meeting for Public Hearing Notice and Agenda**



**Monday, October 21, 2019 at 6:00 p.m.**

**Meeting Rooms 220-222 – 900 Convention Center Blvd., New Orleans, LA 70130**

The Board of Commissioners will convene and hold a special meeting in Meeting Rooms 220-222 located on the 2<sup>nd</sup> Floor of the Convention Center and accessible by the Lobby B escalators beginning at 6:00 PM. The purpose of the special meeting is to conduct a public hearing on the Convention Center Headquarters Hotel Project. No formal action will be taken.

## **I. CALL TO ORDER**

## **II. CONVENTION CENTER HEADQUARTERS HOTEL PROJECT PRESENTATION**

## **III. PUBLIC COMMENT:**

The Louisiana Open Meetings Law provides the public with the opportunity to address this board prior to it taking any action on an agenda item at the meeting. Although the board will not take formal action at this meeting, public comment is invited after the presentation. Members of the public will be allowed four (4) minutes each to make comment about the Headquarters Hotel Project. Please note that this is not a question and answer session where a member of the public can ask questions and demand answers of this Board of Commissioners.

## **IV. ADJOURN**

**NEW ORLEANS ERNEST N. MORIAL CONVENTION CENTER**  
**HEADQUARTERS HOTEL**  
**SUMMARY OF KEY INDICATORS**

- 1,200 Room Omni Hotel attached to the Convention Center opening in 1<sup>st</sup> Quarter 2024
- Developer *Original* Financing Plan:
  - Non-profit ownership; Tax-exempt bond debt; 40-year amortization
  - Non-profit exemption from property tax
  - Zero ground lease; \$41M cash contribution
  - Rebate of 10% Hotel Occupancy Tax (HOT) and 4% Non-room Sales Tax
  - No MCCNO default risk; Reversion of hotel to MCCNO after debt is repaid
  - Net Value Of Incentives = 24% of project costs vs. 37% U.S. Average
- Authority *Negotiated* Financing Plan:
  - **Payment In Lieu Of Taxes (PILOT)** \$3-\$5M/yr. (estimate)
  - Ground Lease payment \$250,000/yr. + 2%
  - Rebate of 8.42% HOT and 4% Non-room Sales Tax
  - Authority to build and own 900 space parking garage
    - Hotel to lease spaces for \$300,000/yr. + 2%
  - \$7M Cash Contribution
  - No MCCNO default risk; Reversion of hotel to MCCNO after debt is repaid
  - Net Value Of Incentives = 17% of project costs vs. 38% U.S. Average
- Other Material Agreements:
  - Developer required to fund a capital repair and maintenance fund (10% of Gross Rev)
  - Room Blocking agreement of 83.33% of inventory (1,000 rooms)
  - Hotel Operating Agreement – Upper Upscale operating standard
- Pre-Development Expense Reimbursement Agreement:
  - Authority provides for site preparation costs - \$26M estimate
  - Other expenses to be shared at 55% (Developer) 45% (Authority)
  - Authority to be reimbursed at financial closing
- SEB/DBE: The Developer Consortium will comply with SEB/DBE requirements of the Authority
  - 30% Direct participation
  - 25% Goods and Services
- Proposed Hotel Annual Economic Impact
  - Net New Hotel Room Nights 172,000
  - Total Annual Economic Impact \$282M
  - City of New Orleans Taxes \$ 18M
  - City of New Orleans Property Tax \$3-\$5M
  - State of LA Taxes \$6M
  - Permanent new jobs 1,900

Public Support	Developer Proposal	Authority MOU
Hotel Occ. Tax Rebate	10%	8.42%
Property Tax Rebate	No Taxes Paid	\$3-\$5M taxes to the City annually
Authority Cash Contribution	\$41 Million	\$7 Million
Ground Lease Payment	None	\$250K per year escalating at 2%
Parking	Developer owns	Authority owns and receives \$300K/yr.
Ownership	Hotel reverts to public ownership	Hotel reverts to public ownership

Project	Ownership	Year	Rooms	Cost	Incentive	Incentive %
St. Lake City Convention Center Hotel	Private	2022	725	337	75	22%
Oklahoma Omni	Private	2021	605	235	85	36%
Loews Kansas City	Private	2020	800	328	160	49%
Portland Hyatt Regency	Private	2019	600	224	74	33%
Washington Marriott Marquis	Private	2014	1,175	520	230	44%
Omni Nashville	Private	2013	800	247	150	61%
Omni Fort Worth	Private	2009	614	230	89	39%
Marriott Marquis Chicago	Public	2017	1,205	450	n/a	n/a
Dallas Omni	Public	2011	1,001	500	n/a	n/a
Broward County (Ft. Lauderdale) Omni	Public	2023	800	400	n//a	n/a
					Average	38%
New Orleans	Non-profit	2024	1,200	675	114	17%